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**STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER**

In the Matter of

01 Dental Plan, LLC,

Licensee.

Order No. 15-0109

WAOIC No. 500572

**CONSENT ORDER LEVYING A
FINE**

This Consent Order Levying a Fine ("Order") is entered into by the Insurance Commissioner of the state of Washington ("Insurance Commissioner"), acting pursuant to the authority set forth in RCW 48.02.080 and RCW 48.155.130, and 01 Dental Plan, LLC.

BASIS:

1. 01 Dental Plan, LLC ("01 Dental" or "the Company") was a licensed discount plan organization ("DPO") domiciled in Washington. Its license expired on June 30, 2014. Zahra Soltani ("Soltani") was the sole corporate member and manager responsible for all business functions and roles of 01 Dental.

2. The Company sold at least 100 memberships, with up to 5 people per membership. A review of the Company's filings and website revealed that the Company failed to timely file its annual report and renewal application, to provide a run-off plan, and to properly operate under its legal name.

3. In February 2014, the Insurance Commissioner notified 01 Dental that its annual report was due by the end of March 2014. Upon request for clarification, the Insurance Commissioner's Chief Financial Analyst spoke to 01 Dental's representative by phone and walked her through the annual report form. 01 Dental subsequently failed to meet the annual report deadline and its renewal application deadline of April 1, 2014. The Insurance

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Commissioner extended the renewal application deadline to April 22, 2014. By this deadline, 01 Dental submitted both its renewal application and financial statements.

4. After the Insurance Commissioner received 01 Dental's filings, the Insurance Commissioner discovered that Soltani moved to California on an undisclosed date. The Insurance Commissioner also found that Soltani had not commenced business when planned, where planned, nor in adherence with the business plan filed with the Insurance Commissioner. Further, the Company failed to demonstrate that it remained viable for relicensing during the renewal period. A review of 01 Dental's website revealed that the Company did not operate under its legal name online.

5. In May 2014, the Insurance Commissioner provided options for 01 Dental to address the material issues with its renewal application. The Company did not report any substantive progress it made to rectify the issues.

6. On June 2, 2014, the Insurance Commissioner issued 01 Dental a Notice of Intent to Non-Renew its license, effective July 1, 2014. On June 16, 2014, the Insurance Commissioner asked 01 Dental to confirm that it ceased all Washington activities and to provide the details of its plan to wind up its affairs by July 1, 2014. The Company did not respond, so the Insurance Commissioner sent a second request on July 7, 2014.

7. On July 10, 2014, counsel for 01 Dental stated: (1) the website would be amended to give notice that the plan is not available in Washington as of July 10, 2014; (2) 01 Dental would "develop a plan for the run-off and discuss it with you to ensure that it is acceptable"; and (3) "no new members will be signed up in the interim and not [sic] further marketing will take place." The Insurance Commissioner confirmed that the disclosure was added to the website. The other statements remain unconfirmed and the Company has failed to provide a run-off plan to date.

8. RCW 48.155.020(9)(c) provides that, when the DPO's license is nonrenewed, it must immediately, upon the date of expiration of the license, stop any further advertising, solicitation, collecting of fees, or renewal of contracts, and proceed to wind up its affairs transacted under the license. By engaging in the conduct described above, the Company violated RCW 48.155.020(9)(c).

9. RCW 48.155.090(1)(c) provides that a DPO shall conduct its business in its own legal name and all written communications from a discount plan to regulators and consumers

must prominently display the discount plan organization's full legal name. By engaging in the conduct described above, the Company violated RCW 48.155.090(1)(c).

10. RCW 48.155.100 provides that each DPO shall provide the commissioner at least thirty days' advance notice of any change in the DPO's name, address, principal business address, mailing address, toll-free telephone number, or internet web site address. By engaging in the conduct described above, the Company violated RCW 48.155.100.

11. RCW 48.155.110(1) provides that, if the annual report and accompanying documents are not provided at the time of renewal of a license, a DPO shall file an annual report with the commissioner in the form prescribed by the commissioner no later than March 31st of the following year. By engaging in the conduct described above, the Company violated RCW 48.155.110(1).

12. WAC 284-155-015(3) provides that upon the expiration of a discount plan organization's license, all operations must be immediately suspended, including any advertising, marketing, solicitation, enrollment, and renewal of contracts or other activities specified under these regulations. By engaging in the conduct described above, the Company violated WAC 284-155-015(3).

13. WAC 284-155-015(4)(b) provides that DPOs must file an annual report by March 31st, and may not defer filing the annual report on the basis that it plans to include the annual report information with its renewal. By engaging in the conduct described above, the Company violated WAC 284-155-015(4)(b).

14. WAC-284-155-030(4) provides that a DPO must respond in writing and within fifteen business days to an inquiry from the Insurance Commissioner. By engaging in the conduct described above, the Company violated WAC-284-155-030(4).

15. RCW 48.155.110(3) provides that failure to timely file a proper annual report subjects a DPO to monetary penalties of up to \$500 per day for the first 10 days of the violation and up to \$1000 for each subsequent day in violation.

16. RCW 48.155.130(1) provides that the commissioner may issue a cease and desist order and fine up to \$10,000 per violation, after hearing or upon consent, in lieu of or in addition to refusing to renew a DPO's license.

CONSENT TO ORDER:

The Insurance Commissioner of the state of Washington and the Company agree that the best interest of the public will be served by entering into this Order. NOW, THEREFORE, the Company consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle this matter in consideration of the Company's payment of a fine, and upon such terms and conditions as are set forth below:

1. The Company acknowledges its duty to comply fully with the applicable laws of the state of Washington.
2. The Company consents to the entry of this Order, waives any and all hearing or other procedural rights, and further administrative or judicial challenges to this Order.
3. By agreement of the parties, the Insurance Commissioner will impose a fine of \$13,000.00 (Thirteen Thousand Dollars) to be paid by **August 31, 2015**.
4. The Company understands and agrees that any further failure to comply with the statutes and/or regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in direct response to further violations.
5. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Company. However, the facts of this Order, and any provision, finding or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

EXECUTED this 10th day of June, 2015.

01 Dental Plan, LLC

By: Zahra Soltani

Printed Name: Zahra Soltani

Printed Corporate Title: President

AGREED ORDER:

Pursuant to the foregoing factual Basis and Consent to Order, the Insurance Commissioner of the state of Washington hereby Orders as follows:

1. The Company shall pay a fine in the amount of \$13,000.00 (Thirteen Thousand Dollars), receipt of which is hereby acknowledged by the Insurance Commissioner.
2. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Company. However, the facts of this Order, and any provision, finding or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

ENTERED this 2nd day of September, 2015.



MIKE KREIDLER
Insurance Commissioner

By and through his designee



Drew Stillman
Insurance Enforcement Specialist
Legal Affairs Division